

“This is just one example of how health care reform is strengthening Medicare and helping Valley seniors,” said Costa. **“Prescription drug costs are a big burden on Valley seniors. These checks will save our seniors money as we get closer to closing the donut hole completely in 10 years.”**

The checks are the first benefit from health reform for seniors in the Medicare Prescription Drug program. Beginning in January 2011, seniors in the donut hole will receive a 50% discount on brand name drugs. By 2020, the donut hole will close completely.

Seniors are subject to the donut hole if their prescription drugs cost too much to be paid for through basic Medicare coverage, but aren't expensive enough to qualify for catastrophic coverage. The ‘donut hole’ coverage gap is the period in the prescription drug benefit (once their prescription drug costs exceed \$2,830) in which the beneficiary pays 100 percent of the cost of their drugs until they hit the catastrophic coverage threshold.

Cost of Rx Cost to Patient Covered by Medicare

0–\$295	100% of Rx cost	No Medicare coverage
\$295–\$2,830	25% of Rx cost	75% covered by Medicare
\$2,830–\$6,440	100% of Rx cost	No Medicare coverage
over \$6,440	5% of Rx cost	95% covered by Medicare

Medicare recipients don’t have to do anything to get the \$250 check – once their drug costs for the year hit \$2,830 the one-time check will be issued automatically.

Making prescription drugs more affordable for seniors is only one of the many benefits for seniors included in the recently enacted health reform law. Other benefits for seniors include:

- Provides free preventive care services under Medicare, beginning in 2011.
- Strengthens Medicare by extending its solvency by an additional 12 years, from 2017 to 2029.
- Improves seniors’ access to doctors.
- Continues to reduce waste, fraud and abuse.
- Improves care by helping doctors communicate and coordinate.
- Expands home and community-based services to keep seniors in their home, instead of in nursing homes.